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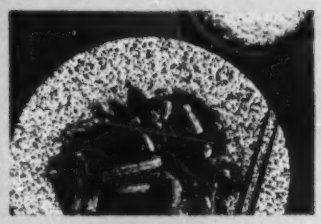

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A Cahners publication serving the total foodservice industry

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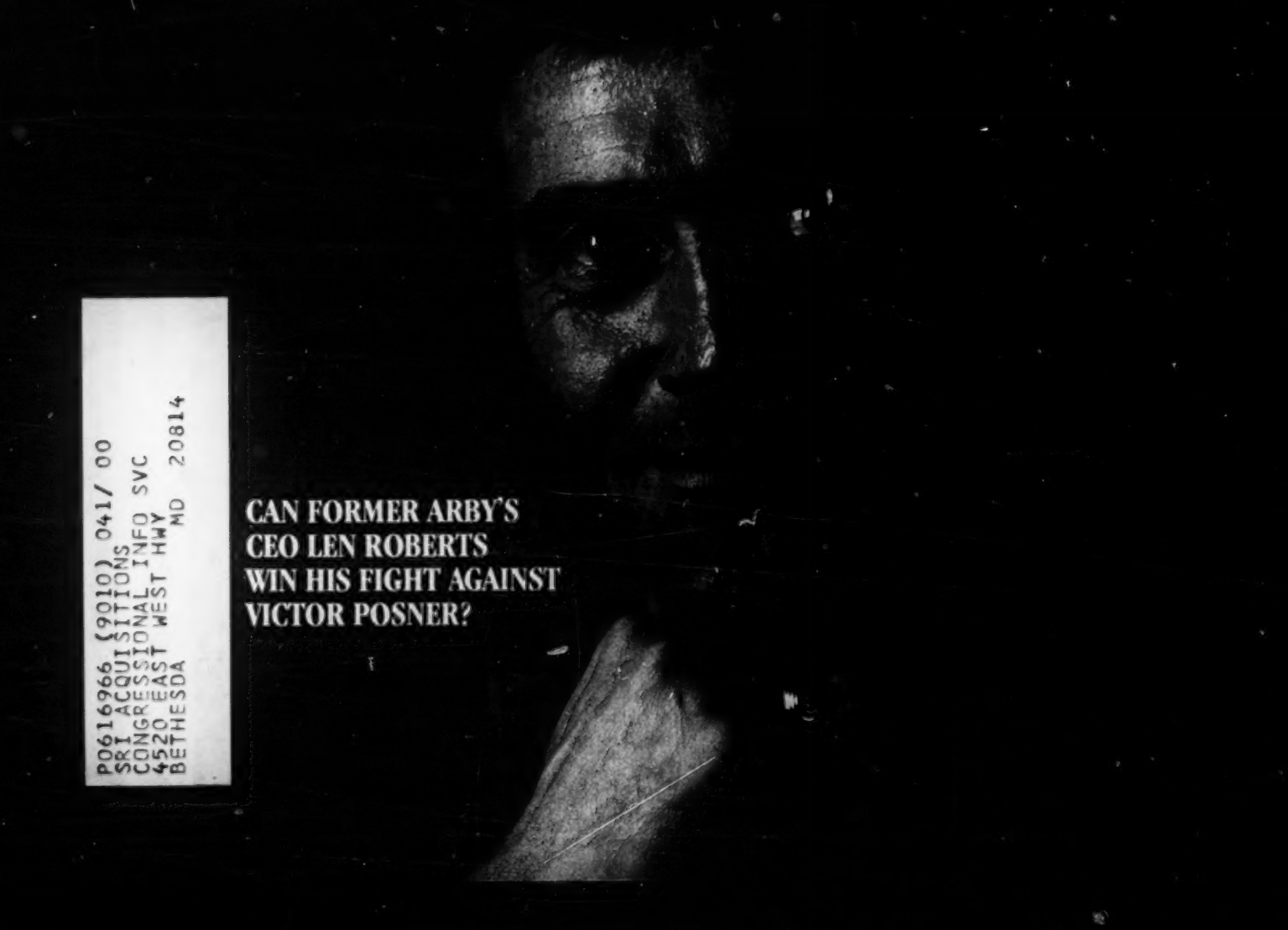

CAN FORMER ARBY'S CEO LEN ROBERTS WIN HIS FIGHT AGAINST VICTOR POSNER?

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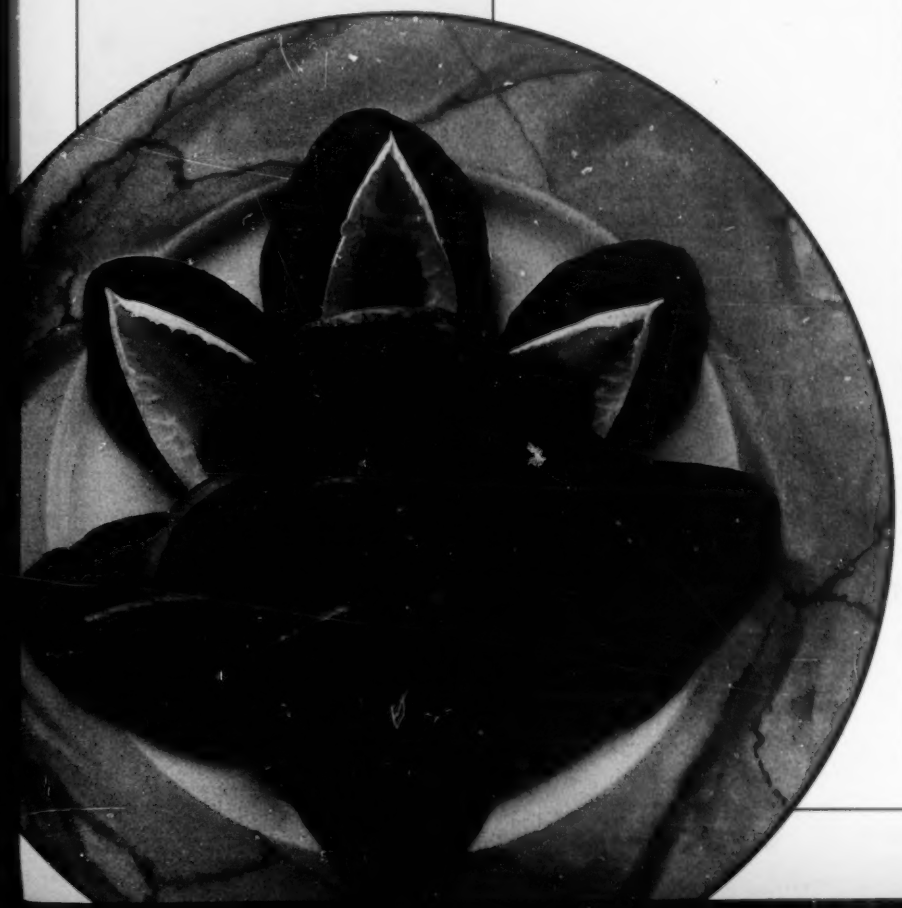


(L.) Pork medallions with onions and carrots on a field of green.

MARKET TRENDS

■ DATA DIGEST

Ample Poultry, Meat Supply Means Lower Prices in 1990

The outlook is bright for red meat and poultry supplies in 1990, according to a late-summer report issued by the U.S. Department of Agriculture. Broiler chicken production, in particular, is expected to increase 7%-8%, resulting in price declines of 8%-10%.

Wholesale broiler prices fell below 1988 levels for the first time in July, averaging 62 cents a pound. The USDA expects prices to average only 49-55 cents a pound during 1990. If the increase in production occurs, per-capita broiler consumption will increase to about 70 pounds, up from an estimated 65 pounds in 1989.

Red meat production is expected to decline slightly in 1990, but lower feed costs (the result of improved weather this year compared to last) will mean only modest price increases for cattle and hogs. In addition, next year's forecast of 22.8 billion pounds of beef (up about 1% from 1989) will have to compete with larger total meat supplies, which could lead to greater price sensitivity. The USDA predicts retail prices for Choice beef might rise only about 1% next year.

Other production and price forecasts include: pork, production down 1%, retail prices up from $1.80 a pound this year to $1.82-$1.85; lamb and mutton, production unchanged, prices up slightly, particularly in late March and early April when the spring religious holidays occur; veal, production unchanged; turkey, production up 7%, prices down from 66-68 cents a pound to 58-64 cents a pound; eggs, production up 2%, prices down to 62-68 cents a dozen from 75-77 cents a dozen this year.

College Students Rate Fruit, Vegetables Tops

The stereotypical college student who skips meals and survives on strong black coffee, beer and junk food is just that—a stereotype. A recent poll of more than 6,000 college students nationwide reveals that the majority are concerned about health and nutrition.

The poll, conducted by a manufacturer of frozen fruit bars, queried students about their dietary habits, including the number of meals and snacks they eat each day and how frequently they exercise. The findings show that more than 80% of the students eat at least two meals a day, with 42% saying they eat three meals and almost 14% saying they eat four or more meals. Nearly 70% of the students polled say that they snack at least once during the day.

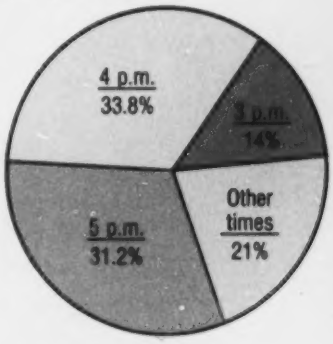
When asked to rate the importance of the various food groups in their diet, the students rated fruits and vegetables highest, followed by meat, breads, milk and dairy products, sugar and caffeine. As for exercise, 60% say they exercise daily and nearly 90% say they exercise at least once a week.

College students are concerned about nutrition, a recent poll shows.

HOW EARLY ARE EARLY BIRDS?

"Early bird" specials, designed to draw in patrons prior to the traditional dinnertime rush, start as early as 3 p.m.

% of operations



Source: Florida Restaurant Association.

'Early Bird' Specials Boost Traffic for 77%

With the aging of the U.S. population, restaurateurs across the country might do well to follow the lead of Florida restaurants, which for many years have catered to that state's elderly. A survey by the Florida Restaurant Association shows that 77% of the restaurants offering reduced-price meals during the early dinner hour, or "early bird" specials, have increased customer counts as a result. Just more than half of the

MARKET TRENDS

association's members offer early bird specials.

More than 11% say that traffic is up 26%-30% as a result of the specials, while about 26% say it is up between 11% and 25%. Those offering early bird dinners, which typically start at 4 p.m. or 5 p.m., say they also help boost traffic during regular hours by increasing word-of-mouth advertising.

Most restaurants report that they do have a different menu during the special hours, but more than half say they do not vary their portion sizes. In addition, 85% say they offer the discounted meals on weekends as well as weekdays. Check averages are considerably lower, $7.46 during early bird hours compared to $9.83 during regular hours, but that difference is usually offset by the increased business generated, both during the early bird hours and regular hours.

People over 55 account for more than half of the customers during "early bird" hours, a Florida Restaurant Association survey shows.

C-Stores Still Moving into Foodservice

Convenience stores continue to move into foodservice, but the aggressive expansion of the mid-'80s appears to be tapering off. A state-of-the-industry report issued by the National Association of Convenience Stores shows that the number of stores offering foodservice was up only 6% from 1987 to 1988, compared with a whopping 77% increase from 1984 to 1985.

About 83% of all c-stores, nearly 57,500, offer foodservice, compared with only 15,800, or 33%, in 1981. The stores appear to be keeping with the basics, however, as only 3% say they offer fried chicken, down from 4% in 1987, and only 4% offer pizza, down from 7% the previous year.

C-store owners spend an average of $21,300 on fast-food equipment when opening a new urban store, or slightly more than 10% of their total equipment package.

Which States Get More Federal Commodities?

Donated federal commodities play the biggest role in states with small populations and school enrollments, an analysis by the Report on Institutional Foodservice newsletter shows. Alaska tops the list, with 41.5% of its total food dollars coming from commodities. Other small-population states with a high percentage of commodities are Washington, D.C. (38.9%), Maine (37.1%), Montana (35.8%), and South Dakota (32.9%).

The newsletter also calculated the amount spent on each pupil per year for foodservice. The average was $92 a student, with the high ranging from $134 in Georgia to a low of $46 in Rhode Island. The top 10 states in total food dollars spent (including donated commodities) are: California, $409.5 million; Texas, $366.6 million; New York, $303.5 million; Pennsylvania, $197.6 million; Illinois, $194.3; Florida, $193.1 million; Ohio, $183.3 million; Gerogia, $167.1 million; Michigan, $125.5 million and North Carolina, $125.1 million.

Employee Satisfaction Declines from '70s

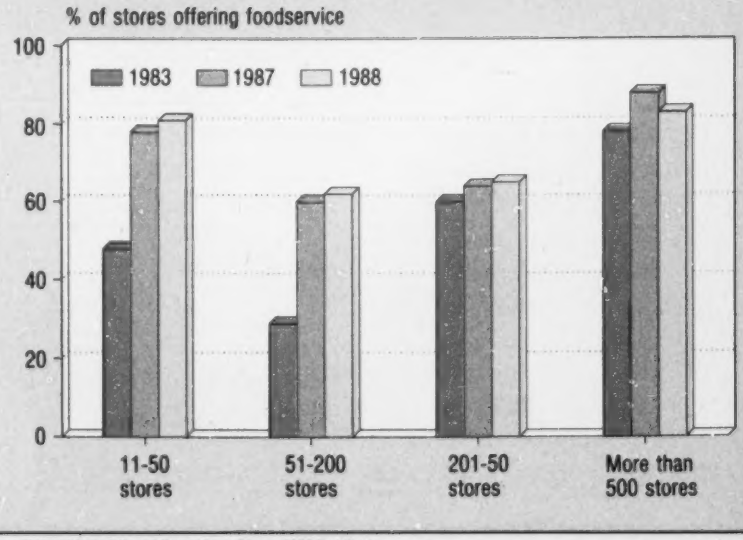
Employees are taking less satisfaction in all aspects of their jobs than they were 16 years ago, according to a recent survey by the Roper Organization. When asked, "What parts of your job do you find completely satisfying?", only one answer scored better than a 40% consensus, compared to four answers in 1973. Of the 1,200 respondents, 41% said they were completely satisfied with the people they work with, down from 50% in 1973.

One-third cited the number of hours they work and the importance of their work to society, down from 46% and 42%, respectively. Salary and benefits also are losing ground. Only 28% reported complete satisfaction with benefits and just 17% with income.

—Maureen Pratscher

CONVENIENCE STORES CONTINUE TO ADD FOODSERVICE

Eighty-three percent of all c-stores offer some sort of foodservice, up from 80% in 1987. The biggest growth has come in the smaller chains, as the number of stores in those chains offering foodservice has nearly doubled in the past five years.



Source: National Association of Convenience Stores, 1989 Fact Book.

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